



## **Modernize Medicare's Kidney Care Benefits**

### ***Support the Millions of Individuals with Kidney Disease at Each Stage of this Chronic Disease***

In 1972, Congress made a commitment to provide individuals with kidney failure access to high-quality kidney care after diagnosis, regardless of their age, by providing care eligibility through the Medicare program.

Now, more than [63%](#) of people living with kidney failure rely upon Medicare for their primary coverage. *However, Medicare payment policy has fallen short of its original promise for those with kidney failure, threatening access to quality care.*

**Kidney Care Partners**—a coalition of patients, dialysis professionals, physicians, nurses, researchers, therapeutic innovators, transplant coordinators, and innovative manufacturers—is asking lawmakers to:

### **Improve Access to Innovative Treatment Options and Stimulate Continued Advancements**

- The Centers for Medicare and Medicaid Services (CMS) implemented the Transitional Drug Add-on Payment Adjustment (TDAPA), a two-year pass-through policy for new renal dialysis drugs and products, as well as the Transitional Add-on Payment Adjustment for New and Innovative Equipment and Supplies (TPNIES), a two-year pass-through policy for new dialysis-related equipment and supplies.
- These policies are intended to provide patients with access to innovative treatments. Still, most drugs and devices coming to market fail to ever reach patients because of inadequate Medicare payment once the pass-through payments end.
  - Physicians simply won't prescribe drugs they know will not be adequately and permanently reimbursed after two years.

**Congress must establish a long-term, sustainable Medicare payment pathway so individuals with kidney failure can access quality care, as well as the latest therapies and innovations.**

### **Ensure Accuracy and Stability in Medicare Reimbursement for Kidney Care**

- Dialysis facilities are provided with a market basket (an "inflationary adjuster") update for kidney dialysis care, which in recent years has fallen short of accurately accounting for healthcare inflation. Based on Health Management Associates' analysis that relies upon the publicly available Medicare data from CMS, the cumulative difference between the forecast and the actual increase in costs is nearly 7 percent.<sup>1</sup>
- As a result, many dialysis facility economics remain dangerously close to the breakeven point. Over several years, financial margins evaluated by the non-partisan Medicare

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<sup>1</sup>See CMS. ESRD PPS CY 2025 Proposed Rule, Table 1 (2024) for the data underlying this analysis.

Payment Advisory Commission (MedPAC) have been negative, resulting in little incentive for innovation and, in some cases, facility closures.

- In March, MedPAC [noted](#) that the number of nonprofit dialysis facilities decreased by 7% between 2022 and 2023, while the total number of rural facilities declined by 10%.

**To help dialysis care facilities retain qualified healthcare professionals and maintain patient access, CMS should implement a forecast error adjustment policy to provide a modified payment to providers in years where the market basket increase does not adequately reflect the rate of inflation and the true cost of providing care.**

**We Encourage Lawmakers to Engage with KCP, Representing the Broader Kidney Care Community to Develop Comprehensive, Long-Term Reform**

- In addition to addressing the urgent need to promote innovation and strengthen care delivery, KCP is seeking to modernize the ESRD payment system to:
  - Promote patient-centered care;
  - Reflect patient needs rather than a one-size-fits-all approach;
  - And improve the management of chronic disease through care coordination.

**KCP looks forward to working alongside lawmakers as we seek to improve care for our nation's kidney care community.**